

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

IN RE: PETITION OF ATMOS ENERGY
CORPORATION FOR APPROVAL OF
FRANCHISE AGREEMENT WITH
COLUMBIA, TENNESSEE

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) TN REGULATORY AUTHORITY
) DOCKET ROOM
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) Docket No. 04-00318
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)

DIRECT TESTIMONY OF
Wayne Turner

1 **Q: Please state your name, place of employment and title.**

2 A: My name is Wayne Turner. I am employed by Atmos Energy Corporation, Mid-States
3 Division ("Atmos") as Operations Supervisor for the Columbia area serve by Atmos.

4 **Q: In your capacity as the Operations Supervisor of Atmos, are you familiar with the**
5 **natural gas distribution system operated by Atmos in Columbia, Tennessee?**

6 A: Yes. I am very familiar with the Atmos natural gas distribution system in Columbia,
7 Tennessee. I was also the authorized person on behalf of Atmos to negotiate the franchise
8 agreement with Columbia, Tennessee, that is included in this Petition.

9 **Q: Please give the Authority an overall description of Atmos' natural gas distribution**
10 **system that is located in Columbia, Tennessee and the customers served by Atmos in**
11 **Columbia.**

12 A: With respect to system serving customers in and around the City of Columbia, there are
13 365 miles of pipe which serves both residents inside and outside of the City. Of the total
14 amount of pipe, approximately 160 miles are located outside of the city limits but are
15 interconnected and dependent upon the distribution system located within the city limits.
16 There are approximately 11,537 customers located within the city limits. Of that amount,
17 approximately 88% are residential customers and 12% are commercial and industrial
18 customers. The majority of the pipeline in the Atmos distribution system in the area is
19 located within the public rights of way of the City of Columbia. Without access to these
20 public rights of way, Atmos could not adequately maintain, replace and/or operate its
21 distribution system.

23 **Q: Has Atmos operated a natural gas distribution system in Columbia for a number of**
24 **years?**

25 A: Yes, Atmos has operated in Columbia and the surrounding area for a number of years.

26
27 **Q: Please describe negotiation process that you went through with the City of**
28 **Columbia.**

29 A: We began our negotiations with Mike Miller, who is the City Manager of the City of
30 Columbia, in April of 2004. I met several times in person with Mr. Miller and we also
31 discussed the terms over the phone. In addition, to setting a new franchise fee of 5% of
32 the gross receipts from the sale and distribution of natural gas within the Columbia city
33 limits, the City also wanted to alter the timing of the franchise fee payment to be
34 quarterly rather than annually. We also wanted to confirm the scope of our franchise
35 rights to be in the public rights of way, the process for line relocation and notice of street
36 openings. Once we reached agreement on the terms of the franchise, the City Council of
37 the City of Columbia approved the agreement and enacted it through Ordinance No.
38 3551.

39
40 **Q: In summary, was the franchise agreement the product of an arms-length negotiation**
41 **process between the City of Columbia and Atmos?**

42 A: Yes, as is apparent from my testimony, the City Columbia and Atmos engaged in
43 substantive negotiations in reaching an agreement in this matter. Both sides worked
44 cooperatively in finding common ground in the negotiations.

45 **Q: What is your opinion in regard to the necessity of the approval of the franchise**
46 **between Atmos and the City of Columbia?**

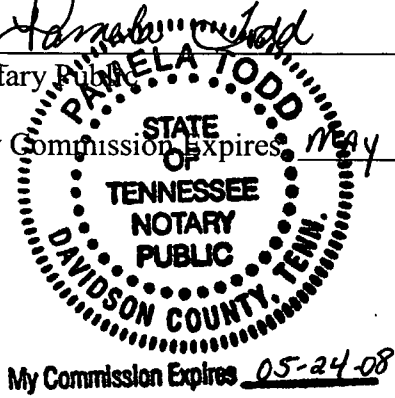
47 A: The franchise agreement with Columbia is necessary and proper for the public
48 convenience and properly conserves and protects the public interest of the citizens of the
49 City of Columbia served by Atmos.

Wayne Turner
Wayne Turner
Title: operations Supervisor

Sworn to and subscribed before me
this 14th day of February, 2005.

Pamela Todd
Notary Public

My Commission Expires May 24, 2008



CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been mailed, postage prepaid, to the following parties of interest this 14th day of February, 2005.

Richard Collier
General Counsel, Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Timothy C. Phillips
Office of Attorney General and Reporter
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, TN 37202

